



# Mississippi Bar Annual Meeting

Mississippi Insurance Department  
June 26, 2014

# ACA Implementation Update – Where are We Now?

**2014 Open Enrollment Ended March 31.**

**Consumers cannot purchase individual coverage  
unless there is a Special Enrollment Period:**

- Involuntary loss of Minimum Essential Coverage
- Newly eligible for tax credits
- Life events: marriage, child, change in citizenship status, permanent move
- Error or inaction by the Exchange
- Misconduct by someone providing enrollment assistance
- Exceptional circumstances
- Special rule for American Indians and Alaska Natives

# What are the Numbers?

## **There Are A Lot of Numbers Being Thrown Around:**

- 8+ million enrolled through the exchanges
- 6 million newly enrolled in Medicaid
- 5 million under 26 enrolled on parent's policy
- Uninsured rate under 16%
- 35% of Exchange enrollees under age 35
- 85-90% in Exchanges have paid first premiums

# What are the 2014 Average Monthly FFM Premiums in Mississippi?

**Average Monthly Premiums Before and After Tax Credits, Tax Credit Amount, and Percent Reduction in Premium after Tax Credits for Individuals Who Selected Plans with Tax Credits through 2014 Mississippi FFM.**

<b>Average Premium <u>AFTER</u> Tax Credits</b>	<b>Average % Reduction in Premium after Tax Credits</b>	<b>Average Premium <u>BEFORE</u> Tax Credits</b>	<b>Average Tax Credit Amount</b>	<b>% of Individuals Who Selected Plans with Tax Credits</b>
<b>\$23</b>	<b>95%</b>	<b>\$438</b>	<b>\$415</b>	<b>94%</b>

# What are the Average Monthly Silver Plan Premiums in Mississippi?

**Average Monthly Silver Plan Premiums before and after Tax Credits, Tax Credit Amt, and Percent Reduction in Premium after Tax Credits for Individuals Who Selected Silver Plans with Tax Credits through the 2014 Mississippi FFM.**

Average Premium <u>AFTER</u> Tax Credits	Average % Reduction in Premium after Tax Credits	Average Premium <u>BEFORE</u> Tax Credits	Average Tax Credit Amount	% of Individuals Who Selected Plans with Tax Credits
\$15	96%	\$434	\$419	98%

# What Will 2015 Bring?

- Qualified Health Plan (QHP) submission dates
- New QHP Requirements
- Small Business Health Options Program (SHOP) Exchanges
- Mandate Changes
- Court Cases
- Election – Who Controls the Congress?

# New QHP Requirements in 2015

## Network Adequacy

2014	2015
<ul style="list-style-type: none"><li>• State review –OR–</li><li>• Accreditation –OR–</li><li>• Access plan</li></ul>	<p>CMS reviews provider list submitted by issuer using a “reasonable access” standard.</p> <p><u>Experience from 2015 reviews will inform future rulemaking.</u></p>

- **The NAIC has initiated a Network Adequacy Subgroup to review the NAIC Network Adequacy Model Regulation**
- **MID has adopted the most recent version of the NAIC Model Act**
  - Entitled “Managed Care Plan Network Adequacy”
    - Citation: 19 Miss. Admin. Code, Part 3, Chapter 14

# Mandate Changes

- **Employer Mandate**

## **Employer Coverage Requirements**

	2014	2015	2016
< 50 employees	None	None	None
50 – 100 employees	None	None	95%
> 100 employees	None	70%	95%

- **Individual Mandate:**

- Individual Mandate Penalty Increases to \$325/adult or 2% of Household Income, whichever is higher
- Was \$95/adult or 1% of Household Income, whichever is higher



# Court Cases

## Outstanding Court Cases:

- Origination Case - *Sissel vs. the U.S. Department of Health and Human Services et al.*
  - Did PPACA taxes originate in the House as required by the Origination Clause?
- Eligibility for Federal Subsidies - *Halbig v. Sebelius*
  - Does the plain language of PPACA allow for premium subsidies in states that have a Federally-Facilitated Marketplace?

# What is the SHOP Marketplace?

- States are required under the ACA to establish a Small Business Health Options Program (SHOP) for small businesses to purchase health insurance for their employees through a Marketplace.
- The Marketplace is an easy-to-use, easy-to-understand online tool that assists Mississippi's small business owners interested in providing health insurance to their employees

# One, Mississippi

- Operations oversight of One, Mississippi will be through the Mississippi Comprehensive Health Insurance Risk Pool Association
- The Mississippi Insurance Department will perform the functions of certifying Qualified Health Plans through the rate and form review process that exists today

# Who Can Use the SHOP?

To participate in the Mississippi SHOP an Employer must:

- Employ 50 or fewer full-time equivalent employees (FTEs)
- Have a principal business address within the State
- Have at least one common-law employee on payroll (not including a business owner or sole proprietor or their spouses on the payroll)
- Offer coverage to all your full-time employees (those working 30 or more hours per week)

## Notes:

One, Mississippi does not require a minimum percentage of participation for full-time employees.

Coverage may also be offered to part-time employees.

# How One, Mississippi Works

- Employer defines a percentage of premium to contribute towards the purchase of insurance
  - After selecting the metal tier, the employer selects a benchmark plan to define their contribution
  - Application process estimates the monthly expenses so employers know what to expect
- Employees have a choice of plans within the metal tier the employer selects
  - This gives employees the freedom to select the plan that best meets their personal needs

# SHOP Marketplace Tax Credit

- Small group employers with 25 or fewer employees (with an average wage of less than \$50,000 a year) may be eligible for a tax credit
- To qualify for the tax credit, the employer must pay a uniform percentage for all employees that is equal to at least 50% of the premium cost of individual (not family) health insurance for each employee
- Coverage must be purchased through the SHOP Marketplace to be eligible for this tax credit

# SHOP Marketplace Tax Credit

- Beginning in 2014, the maximum tax credit will be 50 percent of premiums paid for small business employers and 35 percent of premiums paid for small tax-exempt employers such as charities.
- The credit will be available to eligible employers for two consecutive taxable years.
- If you are a small business employer, you may be able to carry the credit back or forward.
- If you are a tax-exempt employer, you may be eligible for a refundable credit.

# Enrollment

- Open enrollment began in May 2014
- There is no designated initial enrollment period for small businesses
  - Employers may opt to enroll according to their current policy's renewal date or they may choose another effective date
  - Renewal will occur once a year based on the date of the initial enrollment
- Small employers can change the plans offered to employees and contribution amounts only during their annual enrollment period
- Eligible employees and dependents may be added or removed throughout the year, based on special events



# May Enrollment Numbers


- Employers in the system - 103
- Employees in the system - 274
- Employer Applications completed - 45
- Employers who have selected a reference plan - 17
- Certified Agents - 54
- Trained Agents awaiting signed agreements - 23

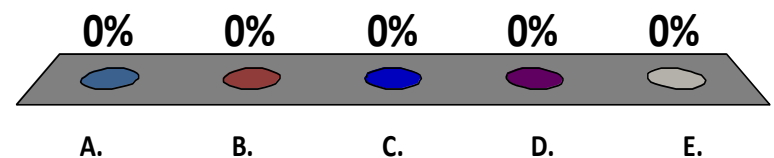
# How Much Do You Know?



# Question #1

## Which of the following is not part of the ACA?

- A. Large employers required to provide affordable health insurance to full time employees.
- B. Individuals and small employers are allowed to select health insurance through online portals
-  C. Death Panels will decide your future
- D. Most individuals must buy health insurance
- E. Children are permitted to remain on their parents' plan until age 26



# Question #2

**What percentage of gross premium revenues (minus fees and taxes) does the ACA require insurers to spend on health care costs and quality improvement?**

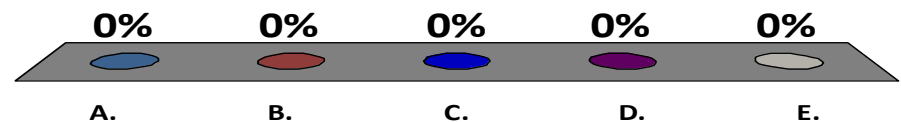
A. 90-100%

✓ B. 80-85%

C. 50-60%

D. 25-30%

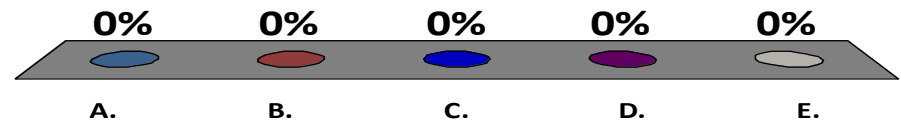
E. None



# Question #3

**Under the ACA, which of the following is not a permitted reason allowing an insurer to adjust your premium rate?**

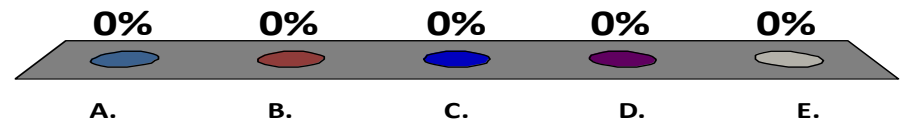
- A. Age
- B. Geographic location
- ✓ C. Fitness Level
- D. Tobacco Use
- E. Size of Family



# Question #4

**Which of the following is an essential health benefit covered by the ACA?**

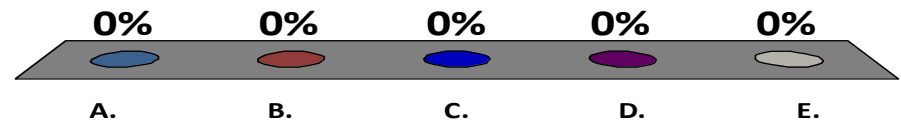
- A. Dental care
- ✓ B. Newborn care
- C. Pet care
- D. I don't care
- E. None of the above



# Question #5

**Which of the following contraceptive methods is covered by the ACA?**

- ✓ A. Plan B
- B. Plan A
- C. Abstinence only
- D. Abortion
- E. None of the above



# Question #6

There have been approximately \_\_\_\_ ACA implementation delays:

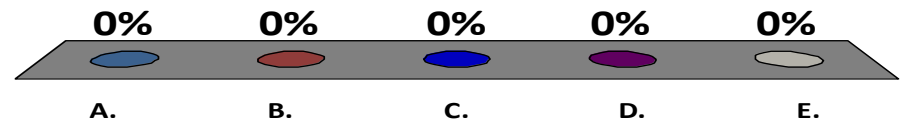
A. 1

B. 6

✓ C. 11

D. 18

E. 14,892 and counting...

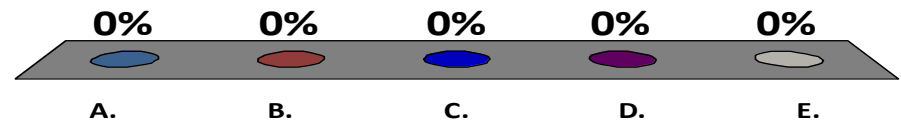




# Question #7

**Who said the following? “Everybody has to buy food sooner or later...therefore, you can make people buy broccoli.”**

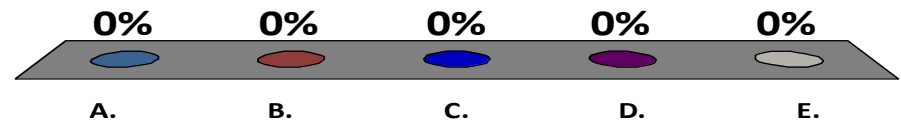
- A. Former HHS Secretary  
Kathleen Sebelius
- ✓ B. Supreme Court Justice  
Antonin Scalia
- C. President Barack Obama
- D. Speaker of the House, John  
Boehner
- E. Marie Antoinette



# Question #8

Which of the following websites is most similar to the Exchange?

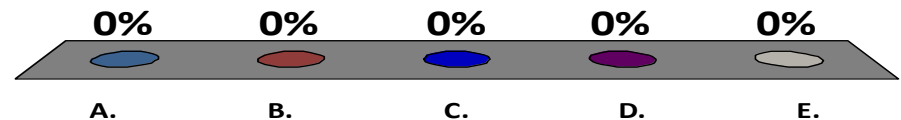
- ✓ A. Expedia.com
- B. FarmersOnly.com
- C. Google
- D. Home Shopping Network
- E. All of the above



# Question #9

**Which of the following has never been a proponent of the Exchange idea?**

- A. Haley Barbour
- B. Hillary Clinton
- C. The Heritage Foundation
- D. Mitt Romney
- ✓ E. None of the above.



# Question #10

**How many states have elected to operate their own individual exchange?**

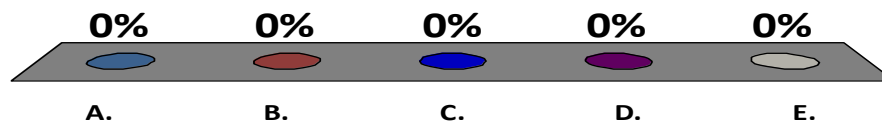
A. 2

B. 9

✓ C. 16


D. 27

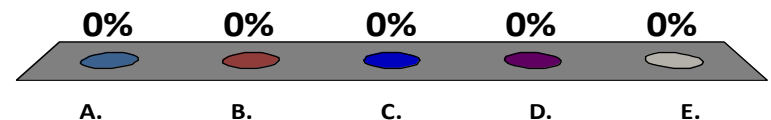
E. 49



# Question #11

**What does SHOP stand for?**

- A. Sebelius's House Of Pancakes
- B. Strong Handed Obama Policy
- C. Stop Hindering Obama's Progress
- D. Serious Habitual Offender Program
- E.  Small Business Health Options  
Program



# Question #12

**True or False? The Mississippi Insurance Department will operate the SHOP Exchange.**

A. True

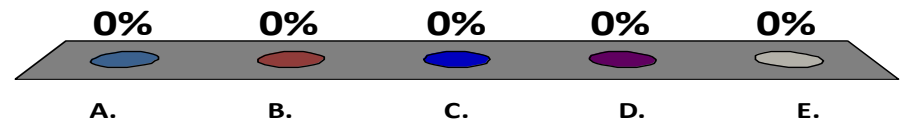
✓ B. False



# Question #13

**How will the operation of the SHOP be funded?**

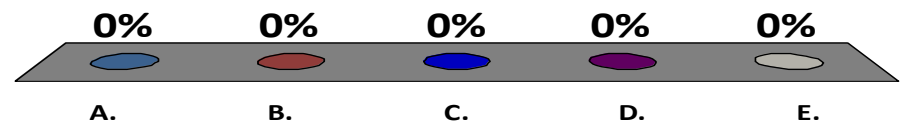
- A. Warren Buffet
- B. President Obama's Super PACs
- C. Mississippi tax dollars
- D. Powerball lottery
- ✓ E. Exchange user fees



# Question #14

**Which of the following would be a small employer for purposes of purchasing insurance through One, Mississippi?**

- ✓ A. 24 employees
- B. 51 employees
- C. 74 employees
- D. 99 employees
- E. None of the above

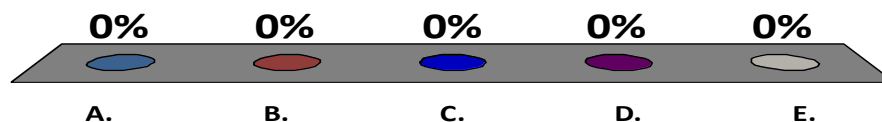




# Question #15


**What percentage of MS small employers offer health coverage?**

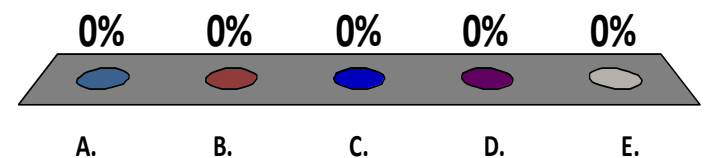
- A. 45-50%
- B. 35-44%
- ✓ C. 25-34%
- D. 24% or less
- E. None of the above



# Question #16


**The SHOP will perform all of the following EXCEPT:**

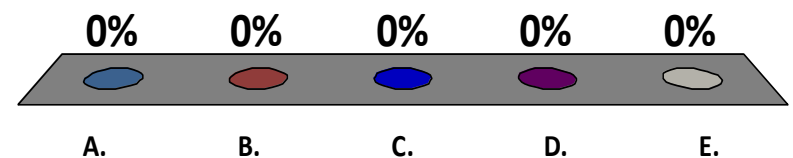
- A. Provide comprehensive billing statements to employers on the SHOP.
- B. Allow any employer to participate whether the employer makes a contribution to its employees' cost of insurance or not.
-  C. Provide advertising and marketing equally for all insurers on the SHOP.
- D. Review and approve/disapprove employers' applications for the sale of plans on the SHOP.
- E. Provide a toll-free number and an on-line calculator to assist individuals with the SHOP.



# Question #17


**Which of the following is NOT a function of Navigators?**

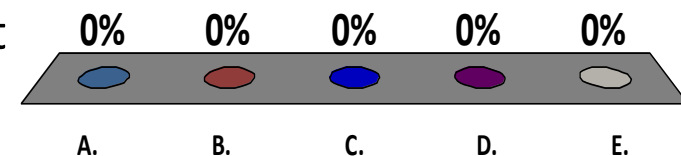
- A. Provide information and educate individuals about the Exchange.
- B. Refer interested individuals to agents
- C. Participate in formal HIPAA compliance training
- D. Assist individuals with “navigating” the Exchange website
-  E. Enroll individuals in their selected plans on the Exchange



# Question #18


## Which of the following is FALSE regarding the employer mandate?

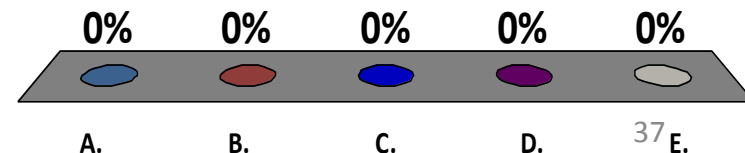
- A. Only “applicable large employers” are subject.
- B. Generally speaking, employers subject to the mandate must provide coverage to all employees who average at least 30 hours per week.
- C. Employers must count part-time employees when determining whether they are subject to the mandate, even though the mandate requires no insurance be provided to part-time employees.
-  D. Coverage is “affordable” if it requires employees to contribute \$1350 or less to his own premium costs.
- E. Employers subject to the mandate that provide no coverage or “unaffordable coverage”, may, but will not necessarily, be penalized.



# Question #19


**Which of the following statements is FALSE about counting employees to determine applicable large employer status?**

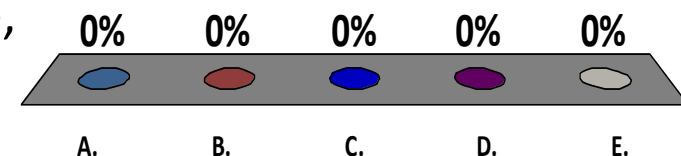
- A. Seasonal employees must be counted if they raise the total to over 50 employees for more than 120 days.
-  B. Part-time employees are counted only if they are paid on an hourly basis
- C. Sometimes separate, legally distinct organizations are grouped together to count employees.
- D. New employers count based on how many full-time equivalents they expect to employ.
- E. An employer with only part-time employees may be an applicable large employer.



# Question #20

**Which of the following is TRUE about penalties imposed under the employer mandate?**

- A. There is no penalty for providing unaffordable coverage if the employer can show it made a good faith effort to make coverage affordable for all employees.
-  B. Penalties assessed under the mandate against employers who provide no coverage will always exclude the first thirty employees.
- C. Employers must provide insurance to dependents, including spouses, of employees to satisfy the mandate.
- D. Penalties for failure to satisfy the mandate are triggered by any employee's complaint to the IRS.
- E. If an employer intentionally violates the mandate, penalties can include punitive damages and lifetime imprisonment.





# **Mississippi Insurance Department**

## **Commissioner Mike Chaney**

**[www.mid.ms.gov](http://www.mid.ms.gov)**

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